



WASHOE COUNTY

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CM/ACM	<u>KS</u>
Finance	<u>DN</u>
DA	<u> </u> ✓
Risk Mgt.	<u>DS</u>
HR	<u>N/A</u>
Other	<u>N/A</u>

STAFF REPORT

BOARD MEETING DATE: February 24, 2015

DATE: January 30, 2014

TO: Board of County Commissioners

FROM: Jennifer Budge, CPRP, Park Operations Superintendent
Community Services Department, 325-8094, jbudge@washoecounty.us

THROUGH: William H. Whitney, Division Director, Planning and Development
Community Services Department, 328-3617, bwhitney@washoecounty.us

SUBJECT: Recommendation to approve Funding Agreement State Question-1
Truckee River Land Acquisition-Hoss Parcel Project (APN 084-212-05)
[\$29,500-State Question 1 Truckee River Bond Funds] between Washoe
County and The Nature Conservancy. (Commission District 4.)

SUMMARY

If approved, this agreement authorizes The Nature Conservancy, a private, non-profit corporation, to acquire APN 084-212-05 (Hoss Parcel), a 12-acre parcel in the lower Truckee River canyon that lies between NV Energy and Bureau of Land Management (BLM) public lands. The Nature Conservancy and several partners are interested in acquiring the land for restoration and recreation opportunities. The parcel is adjacent to the river and floodplain in a reach of the river where future restoration efforts are planned and where the Tahoe-Pyramid Bikeway would prefer to align the bikeway route. The Board of County Commissioners (Board) previously approved similar agreements in March and August of 2014, which have expired, and this revised agreement allows additional time for The Nature Conservancy to close on the property and conduct due diligence with the title company and the property owner. All issues that have previously caused delays with the title have been resolved. See map in Exhibit D.

Strategic Objective supported by this item: Safe, Secure and Healthy Communities

PREVIOUS ACTION

Item 14-0726, August 12, 2014 – The Board approved Funding Agreement State Question-1 Truckee River Land Acquisition-Hoss Parcel Project (APN 084-212-05) [\$29,500-State Question 1 Truckee River Bond Funds] between Washoe County and The Nature Conservancy.

Item 14-252, March 25, 2014 – The Board approved Funding Agreement State Question-1 Truckee River Land Acquisition-Hoss Parcel Project (APN 084-212-05) [\$29,500-State Question 1 Truckee River Bond Funds] between Washoe County and The

Nature Conservancy; and authorized Finance to make the appropriate budget adjustments.

October 25, 2011 – Board approved and authorized the Chairman to sign, Amendment #2 to “Memorandum of Understanding-A Contract Between the State of Nevada Acting by and Through its Department of Conservation and Natural Resources and Washoe County, a Political Subdivision of the State of Nevada Acting by and Through its Parks and Recreation Department” to extend the funding contract on State Question 1 projects to June 30, 2014.

March 24, 2009 – Board reviewed the approved project list and endorsed the vetting and selection process of the SQ-1 Truckee River project list.

October 14, 2008 – Board approved Amendment #1 to the MOU with State of Nevada for SQ-1 funding, extended the compliance date for implementation of projects to December 31, 2011 and accepted second installment funds of \$4,000,000.

November 25, 2003 – Board authorized the execution of the MOU and receipt of \$10,000,000 in SQ-1 bond payments to be paid in installments, and accepted the first installment of \$4,000,000.

July 15, 2003 – Board approved the SQ-1 Truckee River project list.

April 15, 2003 – Board reviewed the process for choosing, scoring and prioritizing SQ-1-Truckee River projects.

BACKGROUND

In the November 5, 2002 General Election, the voters of the State of Nevada approved SQ-1 (aka AB9), approving the issuance of general obligation bonds to preserve, protect and obtain the benefits of property and natural resources in the State. Section 2, subsection 6 of the enabling legislation specifically allocated a total of \$10,000,000 to Washoe County to enhance and restore the Truckee River corridor. The funds must be used to acquire and develop land and water rights; provide for recreational facilities; provide parking for and access to and along the river; and restore the river. All expenditures require a match of cash or value of services, materials or equipment that is equal to 50% of the total project (for each bond dollar spent, an equal dollar must be matched).

In 2003, the Truckee River Funding Working Group was formed and moderated by the Nevada Land Trust. Their diligent work resulted in an approved project list. The Truckee River Path Project is on the approved project list and is compliant with the SQ-1 guidelines.

The Hoss property (APN 084-212-05) is a 12-acre parcel in the lower Truckee River canyon that lies between NV Energy land and BLM land. The Nature Conservancy and several partners are interested in acquiring the land for restoration and recreation opportunities. The parcel is adjacent to the river and floodplain in a reach of the river where future restoration efforts are planned and where the Tahoe Pyramid Bikeway would prefer to align the bikeway route.

Acquisition of this parcel is key to restoration efforts in this reach of river. Restoration has already been implemented at BLM's 102 Ranch property downstream from the

parcel, and restoration is underway upstream on NV Energy's property. A future phase of restoration connecting these areas requires inclusion of the Hoss parcel for full effectiveness. Restoration in this area would be significantly impeded without access to the Hoss property. Cooperating partners on this project include Washoe County, Tahoe-Pyramid Bikeway, The Nature Conservancy and E.L. Cord Foundation. Per the agreement provisions and compliant with SQ-1 requirements, the property will be deed restricted for public recreation and restoration activities and provide for a relocatable public access trail easement to accommodate construction and maintenance of the Tahoe-Pyramid Bikeway.

FISCAL IMPACT

The Board previously approved similar agreements in March and August 2014 and \$29,500 is currently encumbered for this project under purchase order 5500018466 (IN19005-710400). The existing agreement expired on December 30, 2014; the revised agreement allows additional time for The Nature Conservancy to finalize due diligence with the title company and property owner, close escrow on the property and process reimbursement requests. No budget adjustments are necessary.

This land will be owned and managed by The Nature Conservancy and will have no impact to future County park operation and maintenance staff or operating supply budgets. All maintenance associated with the acquisition will be the responsibility of The Nature Conservancy.

RECOMMENDATION

It is recommended the Board of County Commissioners approve Funding Agreement State Question-1 Truckee River Land Acquisition-Hoss Parcel Project (APN 084-212-05) [\$29,500-State Question 1 Truckee River Bond Funds] between Washoe County and The Nature Conservancy.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to approve Funding Agreement State Question-1 Truckee River Land Acquisition-Hoss Parcel Project (APN 084-212-05) [\$29,500-State Question 1 Truckee River Bond Funds] between Washoe County and The Nature Conservancy."

FUNDING AGREEMENT
(State Question-1 Truckee River Land Acquisition-Hoss Parcel Project)

This Funding Agreement (the "Agreement") is entered into this _____ day of _____, 2015 "Effective Date"), by and between Washoe County, a political subdivision of the State of Nevada, for the benefit of the Washoe County Community Services Department (the "County"), and The Nature Conservancy, a District of Columbia nonprofit corporation (hereinafter, the "Conservancy").

WHEREAS,

A. The Conservancy is a non-profit conservation organization dedicated to the preservation of lands and waters on which all life depends, and as a part of that mission desires to acquire a twelve (12) acre parcel of land on the lower Truckee River, more particularly identified as APN 084-212-05 and described on Exhibit A attached hereto and incorporated by reference (the "**Property**"), as part of a project for future restoration and recreational opportunities, including the continuation of the Tahoe-Pyramid Bikeway. Toward that end, the Conservancy has received match funding commitments, including grants in the amount of \$10,000.00 from E.L. Cord Foundation and \$8,000.00 from the Tahoe-Pyramid Bikeway, and has obtained a Willing Seller Letter confirming the interest of the current owner to sell the property, which letter is attached hereto as Exhibit B and incorporated within;

B. In 2001, the Nevada Legislature in the 17th Special Session proposed Assembly Bill 9 ("**AB-9**") and in November 2002, the voters of Nevada approved a bond measure (State Question 1 ("**SQ-1**")) which included the allocation of \$10,000,000 for the enhancement of the Truckee River corridor, authorizing the use of funds to acquire and develop land and water rights, provide recreational facilities, provide parking for and access to and along the river, or restore the Truckee River corridor. The County has designated the Property acquisition as being eligible for AB-9 SQ-1 money and has entered into a memorandum of understanding with the State of Nevada Department of Conservation and Natural Resources ("**NDCNR**") regarding such funds (Exhibit C);

C. The Board of County Commissioners of Washoe County has determined that acquisition of the Property will substantially benefit the residents of the county, and desires to provide \$29,500.00 from its allocation of AB-9 SQ-1 funds to assist in the financing of the acquisition;

D. Pursuant to the agreement between the County and the State of Nevada (the "**State**") with respect to AB-9 SQ-1 funds, as a condition of receiving the \$29,500.00 in such funds, the Conservancy must provide a matching contribution in an amount at least equal to fifty percent (50%) of the overall SQ-1 funded project costs. The Conservancy shall provide \$29,500.00 matching contribution;

E. Of the above match requirement, the Conservancy desires to contribute at least thirty-nine percent (39%) and the remaining sixty-one percent (61%) of the match will come from the project partners described in Recital A above;

F. The Property shall be deed restricted to restoration and recreational uses in conformance with AB9 SQ-1 policies.

G. It is intended that State Question 1 (“SQ-1”) funding be a reimbursement toward the purchase price and that, in consideration of the need to progress with this project in a time sensitive manner, escrow will close and possession of the property by Conservancy will be accomplished prior to this agreement.

NOW, THEREFORE, be it resolved, in consideration of the premises and mutual promises set forth below, the parties agree as follows:

1. Truckee River-Hoss Parcel Acquisition Project Description. The project consists of the acquisition of the Property for future restoration and recreational opportunities, including the continuation of the Tahoe-Pyramid Bikeway.

2. Project Administration.

2.1 The Conservancy has obtained a letter, dated March 8, 2013, expressing that the current property owner, Hoss Equipment Nevada, Inc. is a willing participant in the proposed real property transaction (Exhibit B).

2.2 The Conservancy shall enter into any agreements with the current real property owners and title or escrow companies necessary to accomplish the acquisition of the Property as contemplated by the Project.

2.3 The Conservancy shall perform or cause the performance of all real property appraisal, purchase negotiations, contract preparation and administration, due diligence review of all chains of title, easements and other title and escrow review to ensure the property is free of all liens, mortgages, unacceptable easements, or other undesirable ownership impediments, review property legal description, survey or other property line information and cause any modification necessary to ensure accurate transfer of the Property, conduct all escrow activities including review of escrow documents and fees, transfer of funds, proper recording of deed of ownership, deed restrictions, and new easements, obtaining required title insurance and perform all other tasks required to ensure a smooth and accurate property acquisition. An electronic copy of all pertinent property documents including preliminary title report, appraisal, easements etc. shall be provided to the County for review.

2.4 The Conservancy shall hold ownership and maintain the Property for restoration and recreational use in accordance with all federal, state and local laws and requirements.

2.5 The Conservancy shall provide a relocatable public access trail easement for construction, operation and maintenance of the Tahoe Pyramid Bikeway through the Property.

2.6 Unless otherwise specifically provided elsewhere in this Agreement the Washoe County Community Services Department (“**Community Services**”), P.O Box 11130,

Reno, Nevada 89520 shall be the lead administrative agency for the County, and all documents, invoices and matters shall be submitted to them, and all approvals shall be made by them.

2.7 To allow for the timely use of the AB-9 SQ-1 funds, all invoices for the acquisition to be paid under this Funding Agreement shall be sent directly to the County for payment.

3. The Conservancy shall provide administration of all aspects of the Property acquisition and shall consult with, and obtain approval from, the County on all material technical matters.

4. The Conservancy agrees to perform or have another perform all work in compliance with all applicable laws and further agrees to indemnify, defend and hold harmless the County from and against any and all losses, liabilities, damages, claims, liens, encumbrances, obligations, liabilities, actions, causes of actions, costs and expenses of any kind whatsoever, including without limitation, claims of bond holders and attorneys, and other professional expenses and fees, suffered or incurred by, or asserted against the County, which arise from or are related to, in whole or in part, the Conservancy's negligence in the appraisal, negotiation and acquisition of the Property. Documents shall be recorded in this order: 1) Deed 2) Deed Restriction 3) Relocatable public access trail easement.

4.1 The County may visit the Property with sufficient frequency to familiarize itself with the acreage, its maintenance, and future restoration and recreational improvements.

4.2 The Conservancy shall promptly notify the County in writing of any information it obtains pertaining to any claim or alleged claim, including but not limited to mechanic's liens, construction liens and builder's trust fund claims, or similar claims, involving the Property.

4.3 All parties agree, in good faith, to coordinate and use their reasonable best efforts to complete acquisition of the Property in a timely manner. Upon escrow closing and recording of deed and deed restriction, the Conservancy shall notify the County through its Community Services Department and, within thirty (30) days of ownership transfer, deliver a copy of all escrow documents, including, but not limited to Final Settlement, preliminary title report, conforming copy of deed, a conforming copy of the deed restriction(s) and conforming copies of new easements.

In the event that County determines that the Property acquisition has not occurred in accordance with this Agreement, County shall notify the Conservancy in writing and provide the Conservancy with a list of actions that must be undertaken in order to come into compliance with this Agreement. Thereafter, the Conservancy shall reasonably and diligently pursue completion of said actions such that County may conclude that Property acquisition has been satisfactorily completed. Closing of the Property acquisition, deed restriction, trail easement and reimbursement of SQ-1 funding shall be complete by **December 31, 2015**, unless otherwise extended by mutual agreement of the parties.

5. **Maintenance of and Public Access to Property.** The Conservancy agrees to comply with the deed restriction and trail easement.

6. Project Funding.

6.1 Funding commitments. The parties agree to allocate funds for the acquisition of the Property and pursuant to the terms and provisions set forth below.

a. Subject to the terms and conditions in this Agreement, the County irrevocably agrees to appropriate, allocate, set aside and pay to the Conservancy the amount of \$29,500.00 of its remaining AB-9 SQ-1 (Acquisition).

b. Subject to the terms and conditions in this Agreement, the Conservancy irrevocably agrees to appropriate, allocate, set aside, and pay the following amounts towards the Property acquisition:

- (1) \$10,000.00 from E.L. Cord Foundation;
- (2) \$8,000.00 from Tahoe-Pyramid Bikeway;
- (3) \$11,500.00 from The Nature Conservancy; and
- (4) All other sums necessary to complete the Property acquisition.

6.2 The Conservancy shall be responsible for all increased acquisition costs.

6.3 State Question 1 Policies. The Conservancy covenants to comply with all applicable policies and procedures adopted by the State for the use of AB-9 SQ-1 funds. The County has provided a complete and current copy of such policies and procedures to the Conservancy or shall provide online internet access to such policies and procedures. The Conservancy shall submit Property acquisition and budget information on forms, and within specified deadlines, prescribed by the County and the State. It is the Conservancy's responsibility to be aware of and adhere to all policies and procedures required by the State. In the event of any inconsistency between this Agreement and the State policies and procedures, the State policy and procedures shall govern. A Work Plan has been approved by the County and the State. The County may charge an administrative fee for administering and determining compliance with the Work Plan and State requirements not to exceed ten percent (10%) of the actual cost of the project, which cost shall be over and above the amount of this agreement.

6.4 Spending Deadlines.

a. The AB-9 SQ-1 funds must be spent or encumbered no later than June 30, 2019 in accordance with the Memorandum of Understanding between the County and State attached hereto as Exhibit C and incorporated herein by reference.

b. No extension of time will be granted to spend funds in accordance with the above-referenced dates unless enabled by State amendment.

6.5 The Conservancy understands and agrees that the County shall only reimburse the Conservancy for authorized expenses after the County reviews and approves invoices submitted by the Conservancy for compliance with this Agreement. The County further reserves the right to withhold any funds in the event the Conservancy, its agents, representatives, contractors or subcontractors fail to perform in accordance with applicable federal or State laws, codes and regulations, and this Agreement. The

Conservancy shall be solely responsible for all costs, charges, and expenses of the Project that exceed the amount of \$29,500.00.

6.6 Authorized Reimbursements. Funding for the Property acquisition will be disbursed by Washoe County to the Conservancy on a reimbursement basis. All reimbursement of Conservancy expenses will be paid on a quarterly basis (Jan.-March, April-June, July-Sept. and Oct.-December) as invoices, accompanied by supporting documentation, are received by Washoe County. Invoices are due to Washoe County by the twentieth day of the month following the end of the quarter. Supporting documentation includes an exact itemization of project expenditures for the period of the invoice, a listing of check numbers, amounts and payees for the period, copies of itemized invoices for all expenditures and copies of properly documented timesheets or labor reports.

6.7 The State prohibits reimbursement of AB-9 SQ-1 funds for the following expenses:

- a. Secretarial or word processing services (normal, temporary, or overtime);
- b. Other staff charges, such as filing; proofreading, regardless of when incurred;
- c. Indirect and administrative overhead costs such as salaries and benefits;
- d. Photocopy expenses of more than fifteen (15) cents per page;
- e. Photocopy costs in excess of \$2,000 for a single job;
- f. Computer time;
- g. Any planning activity that is not directly related to the design and engineering of the Project;
- h. The purchase of new equipment, unless the Administrator of NDCNR (the "**Administrator**") has determined that the new equipment is necessary as a one-time purchase specific to the Project;
- i. Any work required by a public agency as mitigation or as a condition of the approval of any other project;
- j. Any component of the Project that the Administrator determines does not benefit the public;
- k. Any project or portion of the Project that has already been completed; or
- l. Any other expenses that the Administrator determines are not necessary to carry out the purposes of Nevada Administrative Code 321.400 to 321.466, inclusive, or that are not in compliance with the intent of the AB-9 SQ-1 Program.

6.8 The State allows reimbursement of funds for the following:

- a. Local telephone expenses or office supply costs; and
- b. The cost of first-class travel not to exceed the Government Standard Approved Rate.

6.9 Project Funding Match. As required by AB-9 and Section 6.1 above, the Conservancy shall provide a total documented match of fifty percent (50%) of the total SQ-1 funded project costs. Eligibility to receive the bond proceeds is contingent upon meeting the required matching contribution of project related expenditures. The Conservancy shall provide documentation of its ability to meet the documented match amount.

Written records must substantiate the Conservancy's funding match amount, including, but not limited to, properly documented timesheets or labor reports, documentation and justification of values utilized for labor, equipment and materials, including an exact itemized list of expenditures, a listing of check numbers, amounts and payees, copies of itemized invoices and support information for all expenditures. A match summary and supporting documentation shall be provided to County. All accounting documentation must be maintained by Conservancy and is subject to audit upon reasonable, advance notice. The County reserves the right to request in writing additional documentation from the Conservancy regarding proffered documentation of funding match.

6.10 Other Match Credit. Additional funding match credits can be granted for cash expended for the value of services, materials or equipment after commencement of the Project, July 1, 2000, as set forth in Exhibit C, Page 3, Section A(1). The State must approve any funding match, either budgeted or expended.

7. Reporting and Auditing Requirements.

7.1 The Conservancy shall provide to the County Project status reports on a quarterly basis and a final report within thirty (30) days after completion of the Property acquisition. Quarterly reports will provide status, brief statements that will address any problems encountered, time delays expected and any adjustments to the completion date, and financial status. The final report shall provide a description of the fully-completed acquisition, the escrow documents noted in Section 4.3 above. Attached to final report shall be a final accounting and exact itemization of total project revenue and expenditures, with a list of all check numbers, amounts and payees. The first report will be due with the completion of the first quarter after full execution of agreement and quarterly thereafter.

7.2 All accounting documentation must be maintained by the Conservancy and is subject to audit by any of the County's agencies. The Conservancy must maintain and make available its books, files and records to facilitate any such audit. The Conservancy must comply with and fully participate with any federal, state or local audit requirements. The County reserves the right to request additional documentation from the Conservancy regarding revenues or expenditures. The County reserves the right to reject all or part of any proffered documentation of recipient's expenditures that does not materially comply with State policies and procedures. Improperly or insufficiently matched AB-9 SQ-1 funds will be subject to repayment by the recipient (from non-AB-9 SQ-1 sources), in part or in total.

7.3 The Conservancy agrees to maintain all records relevant to the Property acquisition in accordance with Nevada Revised Statutes Chapter 239; additionally, the Conservancy must keep records at least six (6) years from the end of the State fiscal year (July-June) in which the project was completed. If any litigation concerning the Property acquisition is begun before the expiration of this six (6) year period, the individual file must be retained for six (6) calendar years from the date of resolution of the litigation; and before any files are destroyed recipient must contact the State to obtain and verify final disposition instructions. This requirement also applies to the recipient's contractors and any subcontractors.

8. Termination.

8.1 Termination for Default. In the event a party fails to perform any duty or satisfy any term or condition contained in this Agreement (the “**Party in Default**”), the other party shall provide the Party in Default with written notice thereof and the Party in Default shall thereafter have thirty (30) days or other reasonable time period to cure or diligently commence to cure such failure. If the Party in Default fails to cure, or fails to diligently pursue curing, any defect in performance to the reasonable satisfaction of the other party, the other party may terminate this Agreement with thirty (30) days advance written notice to the Party in Default.

8.2 Termination by Conservancy. The Conservancy may terminate this Agreement if it does not believe it can satisfactorily complete the Property acquisition upon thirty (30) days written notice to the County, and in that event, all unexpended funds shall promptly be returned to the County.

9. General Provisions.

9.1 Entire Agreement. This Agreement represents the full and complete understanding by all of the parties and changes may be made only with the written approval of the parties.

9.2 Assignment. This Agreement shall be binding upon the parties, their representatives, successors and assigns. No assignment or transfer of this agreement or any part thereof shall occur unless mutually agreed upon in writing by both parties.

9.3 Modification. This Agreement may be modified in writing and signed by both parties.

9.4 Severability. Each paragraph and provision of this Agreement is severable, and if one or more paragraphs or provisions of this Agreement are declared invalid, the remaining paragraphs and provisions of this Agreement will, if possible, remain in full force and effect.

9.5 Covenants of Further Assurance. The parties to this Agreement covenant and agree to act in good faith and to take such further action as may be required to fully effectuate the intentions of the parties under this Agreement.

9.6 All notices required by this Agreement shall be in writing, must be sent to the addresses provided below and are deemed effective upon placement in the United States Mail, postage prepaid addressed to:

Director , Washoe County Community Services
PO Box 11130
Reno, NV 89520

The Nature Conservancy
Nevada Field Office

Matthew Tuma, State Director
One East First Street
Suite 1007
Reno, NV 89501-1612

9.7 Choice of law; venue. This Agreement shall be construed in accordance with and be governed by the laws of the State of Nevada. All parties hereto consent to the personal jurisdiction of the Nevada State Courts located in Washoe County, Nevada and to the service of process by any means authorized by rules of Court or under the laws of the State of Nevada. The exclusive venue of any action, proceeding or counterclaim arising out of or in connection with this Agreement shall be Washoe County, Nevada.

9.8 Counterparts. This Agreement may be executed in counterparts and is deemed duly executed when original signature pages of all parties are executed and delivered.

Exhibits:

- A: Property legal description
- B: Willing Seller Letter
- C: Memorandum of Understanding
- D: Project Work plan

IN WITNESS WHEREOF, the parties hereto have executed this agreement this ____ day of _____, 2015.

/////////////////////////////////NOTHING FOLLOWS ON THIS PAGE////////////////////////////////

THE NATURE CONSERVANCY,
A District of Columbia non-profit corporation

Matthew Tuma, Nevada State Director,
The Nature Conservancy



STATE OF _____
COUNTY OF _____

On the _____ day of _____, 2015, Matthew Tuma personally appeared before me, a Notary Public, and acknowledged to me that he executed the above instrument as the Nevada State Director of The Nature Conservancy, a District of Columbia non-profit corporation.

Notary Public



/////////////////////////////////NOTHING FOLLOWS ON THIS PAGE/////////////////////////////////

WASHOE COUNTY,
a political subdivision of the State of Nevada
by and through its Board of County Commissioners

Marsha Berkgigler, Chairman

Attest:

Nancy Parent, County Clerk

EXHIBIT A
HOSS PARCEL LEGAL DESCRIPTION

All that certain real property situate within a portion of the Southeast one-quarter (SE ¼) of Section Twenty-Eight (28) and a portion of the Northeast one-quarter (NE ¼) of Section Thirty-Three (33), Township Twenty (20) North, Range Twenty-Two (22) East, Mount Diablo Meridian, Washoe County, Nevada, and being more particularly described as follows:

Beginning at the corner common to sections 27, 28, 33 and 34 as shown on the "Parcel Map for Sierra Pacific Power Company", filed May 17, 1985 in the office of the Storey County Recorder; THENCE along the easterly line of said Section 33, South 0122'25" West, 70.10 feet to the Northerly line of the Truckee River;

THENCE leaving the Easterly line of said Section 33 and along the Northerly line of the Truckee River the following twenty (20) courses:

- 1) North 7447'43" West, 46.10 feet;
- 2) North 8613'17" West, 50.20 feet;
- 3) North 7242'23" West, 70.93 feet;
- 4) North 8418'05" West, 120.51 feet;
- 5) North 7859'06" West, 65.87 feet;
- 6) North 8107'58" West, 127.89 feet;
- 7) South 8635'51" West, 65.47 feet;
- 8) South 7536'12" West, 33.74 feet;
- 9) South 7832'25" West, 39.62 feet;
- 10) North 8542'03" West, 39.99 feet;
- 11) South 6113'26" West, 27.13 feet;
- 12) South 6356'56" West, 30.69 feet;
- 13) South 3238'26" West, 64.29 feet;
- 14) South 2040'52" West, 52.47 feet;
- 15) South 5432'10" West, 22.11 feet;
- 16) South 5411'26" West, 41.83 feet;
- 17) South 2969'12" West, 29.50 feet;
- 18) South 4016'29" West, 18.59 feet;
- 19) South 5634'15" West, 42.31 feet; and
- 20) North 8138'31" West, 23.21 feet;

THENCE leaving said Northerly line, along a line 750.00 feet Easterly and parallel with the existing 345 KV line the following two (2) courses:

- 1) North 2856'07" East, 891.27 feet;
- 2) North 2307'11" East, 560.02 feet to the Southerly line of I-80;

THENCE along said Southerly line South 875704" East, 200.78 feet to the Easterly line of the above mentioned Section 28, THENCE along said Easterly line, South 0214'59" East, 1055.48 feet to the above described POINT OF BEGINNING.

Said parcel is further shown and delineated as Parcel 2 on Record of Survey No. 2377, filed in the office of the County Recorder of Washoe County, State of Nevada, on December 26, 1991, as File No. 1532962.

APN: 084-212-05

Exhibit B

Hoss Equipment Nevada, Inc.
604 NE 148th Street
Vancouver, Washington 98685

March 8, 2013

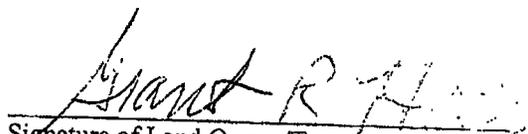
To: Patti Bakker
The Nature Conservancy
1 East First St., Suite 1007
Reno, NV 89501

Re: Purchase of Hoss Property by The Nature Conservancy

To Whom It May Concern:

This letter is provided to confirm that Hoss Equipment Nevada, Inc., owner of the approximately 12 acres of real property known as Assessor's Parcel Number 84-212-05 in Washoe County, Nevada, is a willing participant in the proposed real property transaction. Should grant funds be awarded to the grant applicant, The Nature Conservancy, then Hoss Equipment Nevada, Inc., as seller, is willing to enter into negotiations for the sale of the real property for a purchase price not to exceed a Fair Market Value as determined by professional appraisal meeting industry-wide standards.

Acknowledged:



Signature of Land Owner/Trustee

Date signed

Exhibit C

**Memorandum of Understanding
A Contract Between the State of Nevada
Acting by and Through its
Department of Conservation and Natural Resources and
Washoe County, a Political Subdivision of the State of Nevada Acting by and
Through its Parks and Recreation Department**

WHEREAS, the Legislature in special session in 2001 approved Assembly Bill 9, which required the submission to the voters of the proposal to issue general obligation bonds to preserve and protect the state's natural resources (commonly called Q1 or AB 9; hereinafter referred to AB 9); and

WHEREAS, at the general election on November 5, 2002, the voters of this state approved a proposal to issue general obligation bonds to preserve and protect and obtain the benefits of the property and natural resources of this state; and

WHEREAS, the voters approved the issuance of \$200,000,000.00 in general obligation bonds; and

WHEREAS, under Section 2, Subsection 6 of the enabling legislation it calls for an amount of \$10,000,000 must be allocated to Washoe County to enhance and restore the Truckee River corridor. The money must be used to: acquire and develop land and water rights; provide for recreational facilities; provide parking for and access to and along the river; or restore the Truckee River; and

WHEREAS, Washoe County shall match the allocation made pursuant to Section 2, Subsection 6, with an amount of money or value of services, materials or equipment that is equal to 50 percent of each project that is completed pursuant to this subsection; and

WHEREAS, the Legislature during the 2003 session approved a statewide tax levy to repay the principal and interest on the bonds; and

WHEREAS, the Director of the Department of Conservation and Natural Resources (DCNR) is charged with administering the Fund to Protect Natural Resources into which bond sale proceeds will be deposited, and with prescribing the method which governmental entities that have been allocated funds under section 2 of AB 9 may request money from the fund; and

WHEREAS, this memorandum of Understanding (MOU) is intended to be a binding agreement governing the application process, the determination of qualified projects eligible for AB 9 funds, the requirement of matching funds, and the eligibility of

2002 DEC 10 PM 5:02
OFFICE OF THE DIRECTOR
DCNR

in kind services, materials, and equipment offered by the applicant to meet its match requirement, as well as other matters necessary for the administration of the Fund;

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows;

REQUIRED APPROVAL. This MOU shall not become effective until and unless approved by the Director of DCNR and the governing body of the applicant agency or organization.

DEFINITIONS

State: The State of Nevada, its Department of Conservation and Natural Resources (DCNR), its agencies, officers and employees

Washoe County: The County of Washoe, its Parks and Recreation Dept., officers and employees

Recipient: Those entities which have been allocated funds under authority of Assembly Bill 9 (AB 9), section 2, subsections 1 through 6.

Match: Money and/or value of services, material or equipment that have been or will be expended or utilized directly upon the completion of a covered project. Match is an item that would be an allowable expenditure under the work plan.

Eligible expenses: Expenses that are directly related to the project. Eligible expenses to not include indirect and administrative overhead costs such as salaries and benefits. The Director of DCNR retains the discretion to exclude from reimbursement under this agreement any proffered eligible expenses as an indirect expense.

Cash reimbursement: Direct payment to the recipient in cash for eligible expenses incurred after November 5, 2002.

Bond Cash on Hand: Bond proceeds held, as unexpended, by the recipient during any stage of a covered project.

Work Plan and Status Report: Mandatory form available from DCNR for reporting purposes.

Outlay Report: Mandatory form available from DCNR for reporting purposes.

Total Bond allocation: An amount of money available to the recipient not to exceed the \$10,000,000 allocated to the recipient in AB 9.

CONTRACT TERM. This Contract shall be effective from November 25, 2003 to January 01, 2009 and may only be terminated following completion of the Truckee River

corridor projects as outlined by Washoe County and the completion of all requirements in this agreement or by return of grant money upon determination by the recipient's governing body that the proposed project is not feasible.

A. General Requirements

1. Bond proceeds granted under this agreement may be used for any project authorized under the terms of AB 9. The project must have begun on, or after July 1, 2000 (the fiscal year in which AB 9 was enacted by the Nevada State Legislature) to be eligible for bond proceeds under this agreement. However, there will be no actual cash reimbursements from bond proceeds for eligible expenses incurred prior to the date of approval of Question 1 by the voters or November 5, 2002. For eligible expenses legitimately incurred between July 1, 2000 and November 5, 2002, the recipient may receive credit against its match requirement, if applicable.
2. Recipients will bear the full responsibility of properly administering funds allocated under AB 9. This responsibility includes complete and accurate accounting of funds, both bond and matching; ensuring expenditures and procurement activities are in compliance with the enabling legislation, Generally Accepted Accounting Principles and all other applicable laws and regulations. This requirement also applies to the recipient's contractors and their subcontractors. Project recipients must exercise prudent project management oversight. Prevention of project overruns/shortfalls is the responsibility of each recipient. The State of Nevada, its Department of conservation and natural Resources, and the AB 9 program administered under this agreement will not be obligated to supplement project funds, beyond the approved project budget, due to cost overruns, shortfalls unforeseen circumstances, or any other reason.
3. Washoe County must submit a Work Plan and Status Report for each project on the Truckee River at the time the project begins to move forward and/or annually as required, on the forms available from DCNR Director's Office. The plan must contain a brief description of each proposed project by providing the following information.
 - a) Project description
 - b) Brief explanation justifying use and eligibility of AB 9 funds
 - c) Project time schedule, including date project as, or will be, initiated and the estimated completion date;
 - d) Project budget and schedule of fund requests
 - e) If applicable, identification and demonstration of required match for bond funds.

The Director reserves the right to reject any project for failure of the proposed project to qualify under the general requirements of AB 9. Washoe County

has provided DCNR a binder listing all projects considered with project descriptions and indicated the Washoe County Board of County Commissioners approved projects to be funded.

4. Subsequent changes to an approved project must be documented and submitted to DCNR in advance of implementation. If the change results in a significant project amendment (either in project scope or budget line item/category) it requires submittal of a revised "Work Plan and Status Report" prior to initiation of the change.
5. Total bond allocations available to Washoe County for the Truckee River corridor project are not to exceed \$10,000,000 as indicated in AB 9.
6. Washoe County will require that all projects receiving bond funds will post an approach sign at the project site acknowledging the funding source.

B. Requests for Advances

1. Advances are subject to the following conditions:
 - a) Washoe County agrees to provide an Outlay Report on a quarterly basis until all advance amounts are spent.
 - b) Requests for advance may not exceed the total amount approved for the Truckee River corridor projects \$10,000,000.
 - c) Funds will not be disbursed to Washoe County for the purpose of simply accruing interest.
 - d) Recipients should not commingle AB 9 expenditures/funds with non-AB 9 related expenditures and must separately account for these expenditures and revenue sources.
2. The above policies for cash management apply to not only the primary recipient of the bond funds, but also their contractors and subcontractors.

C. Bond Cash on Hand, Excess Balances

1. Cash on hand, including amounts received as advances, must be spent within 3 years. The DCNR may require repayment of any unencumbered advance amount at the end of the 3-year period.
2. Cash on hand may be subject to arbitrage penalties which recipients will be required to pay from sources other than bond proceeds.
3. Any interest earned on bond proceeds must be accounted for to the AB 9 Truckee River Corridor Project Fund and can only be spent on Truckee River Corridor Projects, administered by Washoe County, and all interest earnings must be reported to DCNR.

4. The above policies for cash management apply to not only the primary recipient of the bond funds, but also their contractors and subcontractors.

D. Match

1. Washoe County must provide evidence that they have met the required match. Match credits will be granted for cash expended, or for the value of services, material or equipment after the project was begun but not prior to July 1, 2000.
2. Written records must substantiate recipient's match, including but not limited to time sheets, documentation and justification of values utilized for labor, equipment, materials, etc. All accounting documentation must be maintained by the recipient (refer to Section VI I- Retention and Record Keeping) and is subject to audit. DCNR reserves the right to request additional documentation from the recipient regarding proffered documentation of match. DCNR reserves the right to reject all or part of any proffered substantiation of recipient's match.
3. Improperly or insufficiently matched bond payments will be subject to repayment by the recipient (from non-AB 9 sources), in part or in total.

E. Periodic Reporting

1. Washoe County must submit annually a Work Plan and Status report to DCNR, which will provide a status of each project along with cumulative expenditures through June 30. This annual report will also require recipients to provide brief statements that will address any problems encountered, time delays expected, and any adjustments to the completion date.
2. These reports will be due to DCNR Director's Office by August 15 of each year that the project is active.
3. Supplementation of the annual reporting requirement in this section may be required in accordance with General Requirements set forth above.

F. Retention and Record Keeping

1. Washoe County agrees to maintain all records relevant to its AB 9 project for which funds were allocated in accordance with NRS Chapter 239; additionally, recipient must keep records at least six (6) years from the end of the state fiscal year (July – June) in which each project was completed.

2. If any litigation concerning the project is begun before the expiration of this six (6) year period, the individual file must be retained for six (6) calendar years from the date of resolution of the litigation; and
3. Before any files are destroyed recipient must contact the DCNR to obtain and verify final disposition instructions. This requirement also applies to the recipient's contractors and any subcontractors.
4. Examples of records subject to retention provisions are (list is not intended to be all inclusive): All fiscal/accounting records and reports; all drawings, blueprints, renderings, architect and/or engineering reports, financial estimates, Fee schedules, site proposals, photos, maps, copies of easements, copies of building permits, copies of inspections related correspondence, and all procurement activities, including contractors proposals and rates.

G. Other

1. Recipient may be subject to audit and must allow access to applicable AB 9 records, if so directed by the State of Nevada. If any audit finding reveals that either an overpayment was made, or ineligible costs were incurred (either match or bond proceeds), the overpayment or the ineligible expense must be repaid to the AB 9 Fund-Department of Conservation and Natural Resources, Carson City, Nevada.
2. Recipient agrees to comply with all policies and procedures adopted by the DCNR Director's Office and must submit project and budget information on forms prescribed by the Director's Office and within specified deadlines.
3. Improperly completed forms will not be processed, and will be returned for correction.
4. It is the policy of the Board of Examiners and the DCNR to restrict contractors, as well as all other recipients of public funds, to the same (or less) travel rates and procedures allowed state employees. This requirement also applies to the recipient's contractors and any subcontractor's.
5. Certain disbursements will not be allowed. These include:
 - a. Secretarial or word processing services (normal, temporary, or overtime);
 - b. Any other staff charges for similar activities such as filing or proofreading, regardless of when incurred;
 - c. Indirect and administrative overhead costs such as salaries and benefits;
 - d. Photocopy expenses of more than 15 cents per page;
 - e. Photocopy costs in excess of \$2,000.00 for a single job;

f. Computer time.

The State will allow for expenses for the following:

- g. Local telephone expenses or office supply costs;
- h. The costs of first-class travel

6. NOTICE. All notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by telephonic facsimile with simultaneous regular mail, or mailed certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address specified below.

Director
Washoe County Parks & Recreation Department
PO Box 11130
Reno, Nv 89520
(775) 828-6642

Deputy Director
Department of Conservation & Natural Resources
123 West Nye Lane, Room 230
Carson City, NV 89706-0810
(775) 687-4360

7. INDEMNIFICATION. Washoe County shall indemnify, hold harmless and defend Grantor from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorney's fees and costs, arising out of any alleged negligent or willful acts or omissions of the Recipient, its officer, employees and agents.
8. SEVERABILITY. If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.
9. ASSIGNMENT. Washoe County shall neither assign, transfer not delegate any rights, obligations or duties under this Contract without the prior written consent of the State.

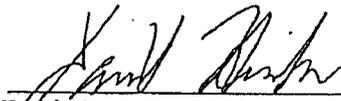
H. Entire Contract and Modification.

This Agreement and its integrated attachment(s), if any, constitute the entire agreement of the parties and such are intended as a complete and exclusive

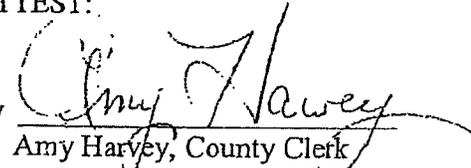
statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendments to this contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto.

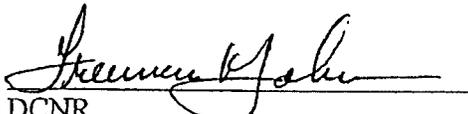
IN WITNESS WHEREOF, the parties here to have caused this Contract to be signed and intend to be legally bound thereby.

WASHOE COUNTY, NEVADA
Acting by and through its
Board of County Commissioners

By  12/08/03
David Humke, Chairman Date

ATTEST:

By 
Amy Harvey, County Clerk

 12/11/03 Asst. Director, DCNR
DCNR Date Title

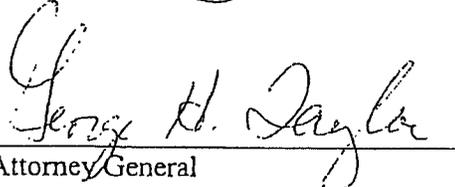
 12/11/03 D.A.G.
Attorney General Date Title
(Signature as to form)

EXHIBIT A

Amendment #1 to
Memorandum of Understanding
A Contract Between the State of Nevada
Acting by and Through its
Department of Conservation and Natural Resources and
Washoe County, a Political Subdivision of the State of Nevada Acting by and
Through its Parks and Recreation Department

1. Amendments. All provisions of the original contract for the term of November 25, 2003 through January 1, 2009 attached hereto as Exhibit A, remain in full force and effect with the exception of the following: amend the term of contract to extend effective date through December 31, 2011.
2. Incorporated Documents. Exhibit A (Original Contract is attached hereto, incorporated by reference herein, and made part of this amended contract.

IN WITNESS WHEREOF, the parties here to have caused this Contract to be signed and intend to be legally bound thereby.

WASHOE COUNTY, NEVADA
Acting by and through its
Board of County Commissioners

By: Robert M Larkin
Robert Larkin, Chairman

10/14/08
Date

ATTEST:
By Amy Harvey
Amy Harvey, County Clerk

Bill Biny
DCNR

8/26/08 DIRECTOR
Date Title

[Signature]
Attorney General
(Signature as to form)

9/15/08 Deputy Attorney General
Date Title

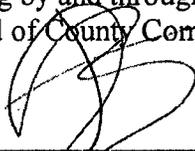
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RECEIVED
D.C.N.R.
OFFICE OF THE DIRECTOR

Amendment #2 to
Memorandum of Understanding
A Contract Between the State of Nevada
Acting by and Through its
Department of Conservation and Natural Resources and
Washoe County, a Political Subdivision of the State of Nevada Acting by and
Through its Parks and Recreation Department

1. Amendments. All provisions of the original contract for the term of November 25, 2003 through January 1, 2009, and Amendment #1 amending the term of contract to December 31, 2011, attached hereto as Exhibit A remain in full force and effect with the exception of the following: **amend the term of contract to extend effective date through June 30, 2014.**
2. Incorporated Documents. Exhibit A (Original Contract and Amendment #1) are attached hereto, incorporated by reference herein, and made part of this amended contract.

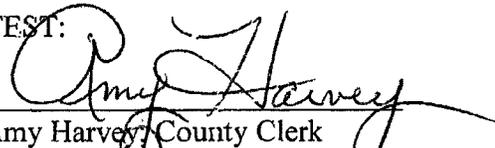
IN WITNESS WHEREOF, the parties here to have caused this Contract to be signed and intend to be legally bound thereby.

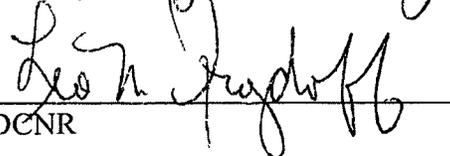
WASHOE COUNTY, NEVADA
Acting by and through its
Board of County Commissioners

By: 
John Breternitz, Chairman

10/25/11
Date

ATTEST:

By 
Amy Harvey, County Clerk


DCNR

8/26/11 Director
Date Title

Attorney General
(Signature as to form)

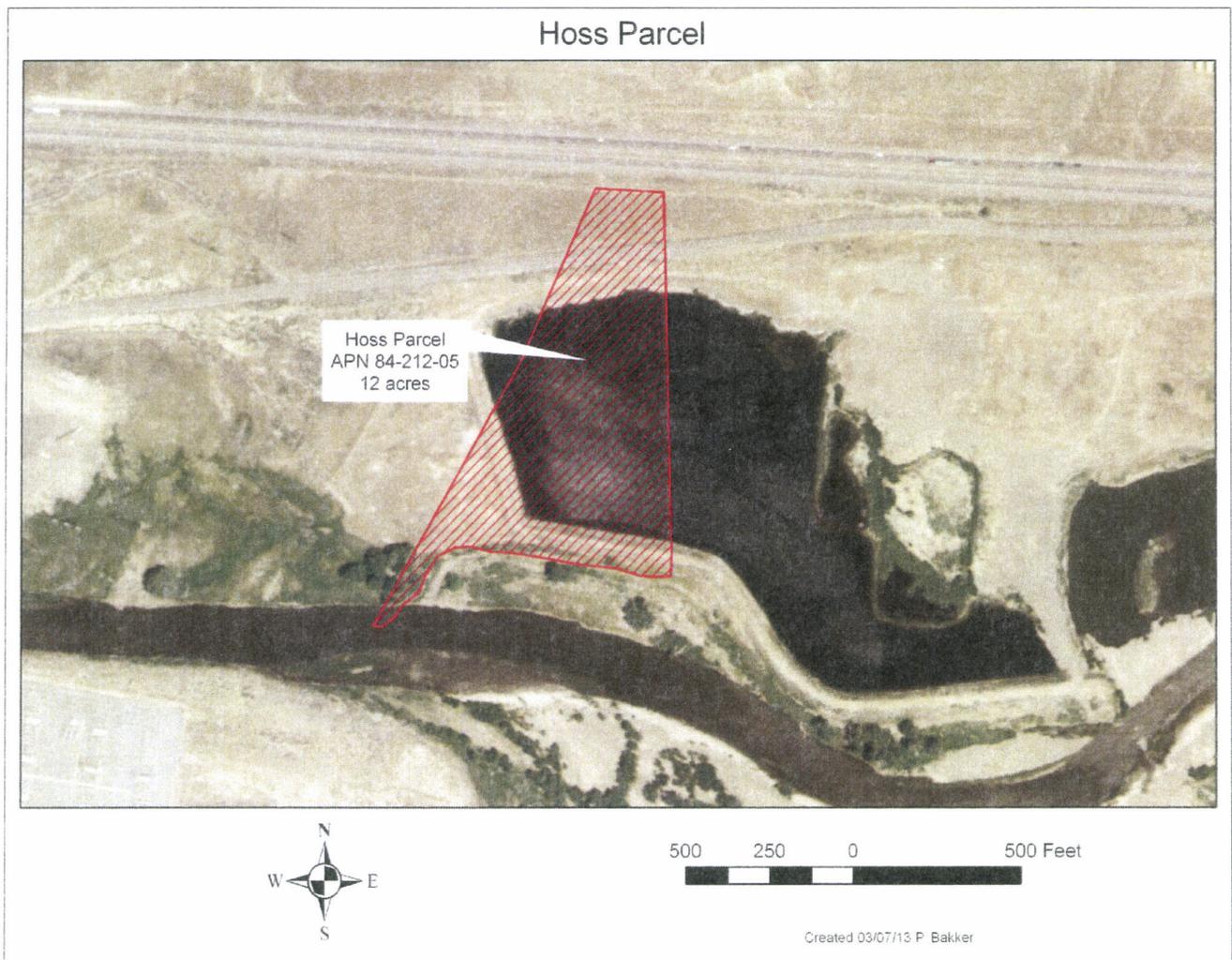
Date Title

EXHIBIT D

SQ-1 TRUCKEE RIVER CORRIDOR PROJECT REQUEST WORKPLAN

PROJECT NAME & DESCRIPTION: Hoss Parcel Acquisition

The Hoss property (APN 84-212-05) is a 12-acre parcel in the lower Truckee River canyon that lies between NV Energy land and BLM land. The Nature Conservancy (TNC) and several partners are interested in acquiring the land for restoration and recreation opportunities. The parcel is adjacent to the river and floodplain in a reach of the river where future restoration efforts are planned and where the Tahoe Pyramid Bikeway would prefer to align the bikeway route.



MATCH BUDGET (List sources & uses):

The following funders are expected to provide cash funding for the purchase and associated costs:

Tahoe-Pyramid Bikeway	\$8,000
E.L. Cord Foundation	\$10,000
Nature Conservancy	\$11,500
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Total	\$29,500

TIMELINE:

Funding commitments are in place and TNC is moving forward with acquisition. The appraisal has been completed, TNC is proceeding with due diligence, and expects to close on the acquisition by June 2014. Incorporation of the property into a future restoration project connecting surrounding restoration sites will occur when funding has been secured for that phase.

O & M COSTS (Include all anticipated costs and source of funding):

TNC will cover all costs associated with the property until such time as a restoration project is implemented on the property.

OWNERSHIP:

TNC will hold title on the parcel. There is a possibility in the future of transfer of title to the BLM, as they own the 102 Ranch property immediately downstream from the Hoss parcel.

FACILITIES DEVELOPMENT (If restoration/recreation-what specific improvements?):

This parcel lies between properties owned by NV Energy and the BLM. Restoration projects have already been implemented on these lands; acquisition of this parcel would allow a future phase of restoration to be implemented in this reach between those lands. In addition, the acquisition will allow for realignment of the Tahoe-Pyramid Bikeway through this reach – a much desired realignment from the current frontage road alignment.

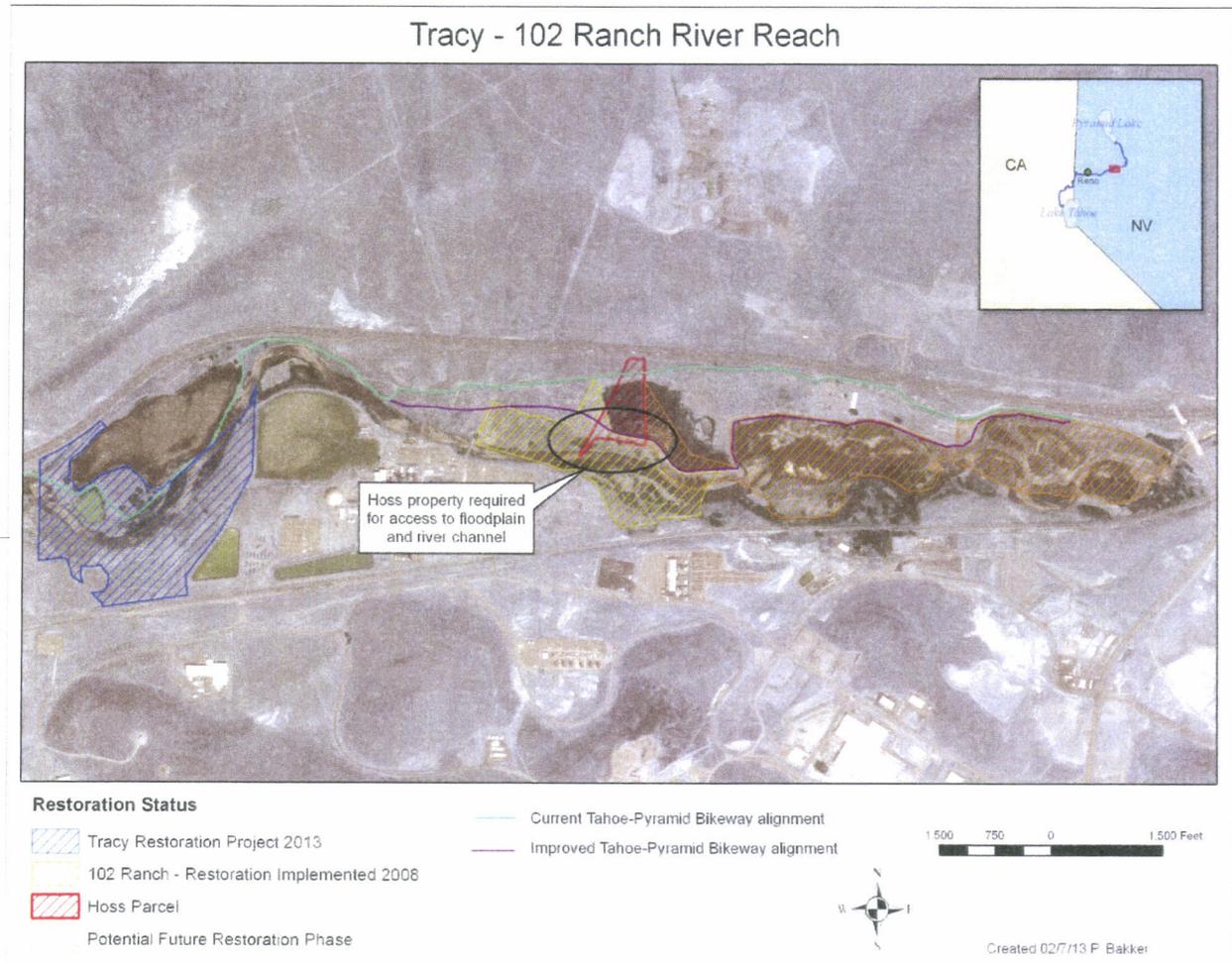
REVENUE (List sources & estimate amounts):

N/A

WATER RIGHTS:

No water rights are associated with this acquisition.

Acquisition of this parcel is key to restoration efforts in this reach of river. Restoration has already been implemented at BLM's 102 Ranch property downstream from the parcel, and restoration is scheduled to be implemented upstream on NV Energy's property in 2013 (see map below). A future phase of restoration connecting these areas requires inclusion of the Hoss parcel for full effectiveness. As evidenced in the map below, restoration in this area would be significantly impeded without access to the Hoss property.



PARTNERS (List all anticipated partners):

The Nature Conservancy
 Tahoe-Pyramid Bikeway
 Washoe County
 E.L. Cord Foundation

SQ-1 FUND BUDGET:

Purchase Price	\$50,000
Associated Costs (Appraisal, Survey, Closing)	\$9,000
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Total Cost	\$59,000
SQ1 Funds requested	\$29,500